

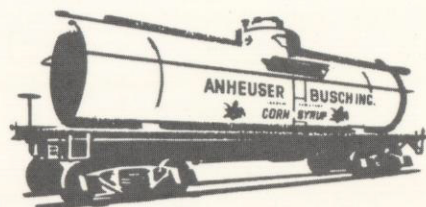
1963

Annual

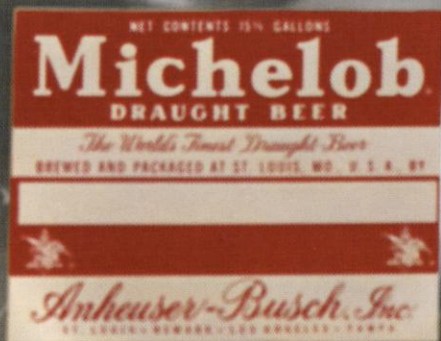
Report

ANHEUSER-BUSCH, INCORPORATED





CORN SYRUPS Sold nationally in tank cars, tank trucks, and drums to confectioners, syrup mixers, canners, bakers and ice cream manufacturers.



Anheuser-Busch
product display
continued on
inside back cover

Abinco, A-B, Delta,
Budweiser, Michelob, Bud, Busch
are registered trademarks
of Anheuser-Busch, Inc.

DIRECTORS

*AUGUST A. BUSCH, JR.
Chairman of the Board

AUGUST A. BUSCH III

*DAVID R. CALHOUN, JR.
JOHN FLANIGAN

*A. VON GONTARD
Vice Chairman of the Board

*ANDREW W. JOHNSON
JOHN F. KREY II

H. NORRIS LOVE

*J. W. McAFEE

*R. A. MEYER

JAMES B. ORTHWEIN

W. R. PERSONS

CURT H. REISINGER

ETHAN A. H. SHEPLEY

*JOHN L. WILSON

**Members of Executive Committee*

OFFICERS

AUGUST A. BUSCH, JR.
President

R. A. MEYER
Vice President and General Manager

FRANK H. SCHWAIGER
Senior Vice President - Brewing

E. H. VOGEL, JR.
Vice President

C. J. HAUSER
Vice President

HENRY N. McCLUNEY
Vice President

AUGUST A. BUSCH III
Vice President

JOHN FLANIGAN
Vice President

WALTER T. SMITH, JR.
Vice President

HUGO WANINGER
Vice President

R. C. GADSBY
Vice President

OWEN RUSH
Vice President

RICHARD J. BENDER
Vice President

JOHN H. PAHLMANN
Controller

MRS. K. SIEBERT
Secretary

REID McCRUM
Treasurer

R. A. RAWIZZA
Assistant Controller

THOMAS J. CARROLL
Assistant Secretary

JOHN L. HAYWARD
Assistant Treasurer

DIVISIONAL VICE PRESIDENTS

Yeast-Corn Products Division

PAUL C. GUIGNON

CARL E. WITTER

RICHARD F. AMACHER

WAYNE K. KISTLER

STOCK TRANSFER AGENTS

ST. LOUIS UNION
TRUST COMPANY
510 Locust Street
St. Louis, Missouri

CHEMICAL BANK NEW YORK
TRUST COMPANY
20 Pine Street
New York, New York

STOCK REGISTRARS

MERCANTILE TRUST COMPANY
721 Locust Street
St. Louis, Missouri

MORGAN GUARANTY TRUST
COMPANY OF NEW YORK
30 West Broadway
New York, New York

DEBENTURES—TRUSTEE, REGISTRAR AND PAYING AGENT

MANUFACTURERS HANOVER
TRUST COMPANY
40 Wall Street
New York, New York

ANNUAL REPORT TO SHAREHOLDERS OF ANHEUSER-BUSCH, INCORPORATED

SAINT LOUIS, MISSOURI



To the memory of our
beloved friend and director of the company,
Eberhard Anheuser, who died July 29, 1963.
Mr. Anheuser began his career with the
company in 1896 and was serving
as a director at the time of his death.

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February 11, 1964
St. Louis, Mo.

THE PRESIDENT'S LETTER

To the Shareholders of Anheuser-Busch, Incorporated:

While sales of each of our divisions set new high records in 1963, profits are down from the all-time high earned in 1962.

Total dollar sales were \$447,303,019 as compared with \$426,670,314 in 1962. Earnings were \$15,586,402, or \$3.18 per share. This compares with \$17,009,029, or \$3.47 per share in 1962.

Beer volume amounted to 9,397,224 barrels, up 362,588 barrels from 1962. Each of our brands of Budweiser, Michelob and Busch Bavarian showed a volume increase over 1962.

In May we became the first United States brewery to ship in excess of one million barrels of beer in a single month, with sales in that month totaling 1,009,603 barrels.

In the Brewing Division higher operating costs, including an additional \$920,577 of depreciation on new facilities, were not offset by higher selling prices, but could only be paid for out of increased volume.

Advertising and sales promotion expenses, which accompanied the introduction of our Busch Bavarian into the California market on April 1, 1963, were higher than normal for this type of expenditure in established markets.

The Yeast Corn Products Division also gained a substantial sales increase during 1963. Net sales of this division increased 12% over 1962 and accounted for 14% of the net sales of the company.

Substantial increases in the cost of raw materials of our Yeast Corn Products Division, principally corn and molasses, were only partially offset by some increases in selling price and increased sales volume.

During the year we continued to host a large number of visitors at all of our facilities.

Over 250,000 persons visited Grant's Farm during 1963.

Busch Gardens at our Tampa Plant entertained 11½ million people during the year, and more than 5½ million since the Gardens opened in 1959. The expansion of these Gardens, authorized in 1962, was substantially completed during 1963, making it possible to see more of our good friends there in the future.

In August, ground was broken for a new Busch Gardens adjacent to our Los Angeles Plant. We expect to open this attraction to the public in 1965.

What about the future?

Anheuser-Busch has never made a practice of predicting the outcome of the years ahead. We are confident, however, of our ability to sell our fine products in increasing amounts in the years ahead.

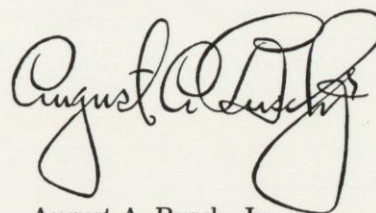
During 1963 we broke ground for a new brewery in Houston which will have an annual capacity of one million barrels of our beers. We expect this facility to go into production during the early part of 1966.

We regret to report the death of our good friend and colleague Eberhard Anheuser on July 29, 1963. Because of his more than 65 years of service we are dedicating this annual report to his memory.

We also regret to report that Andrew W. Johnson, a director of the company, died February 6, 1964. Mr. Johnson had been a member of the board of directors for 13 years.

I want to extend to our shareholders our sincere appreciation for their confidence and support of Management. We shall do everything in our power to assure a continuance of that confidence.

Respectfully submitted,



August A. Busch, Jr.
President and Chairman of the Board


THE ANNUAL MEETING

of the shareholders of the Company will be held on Wednesday, April 22, 1964 at 10:00 a.m., C.S.T. A notice of that meeting and proxies on behalf of the management will be sent to the shareholders on or about April 1, 1964



THE YEAR AT A GLANCE...

	1963	1962
YEAR ENDED DECEMBER 31		
Barrels of beer sold.....	9,397,224	9,034,636
Sales—less freight, discounts and allowances.....	\$447,303,019	\$426,670,314
Inventory turnover in cost of sales.....	7.6 times	7.2 times
All costs and expenses except taxes.....	304,578,796	285,599,775
All taxes.....	127,137,821	124,061,510
Per share.....	25.91	25.29
Earnings.....	15,586,402	17,009,029
Ratio to net sales.....	4.5%	5.2%
Return on average invested capital.....	9.3%	10.7%
Per share.....	3.18	3.47
Cash dividends paid.....	7,851,414	7,358,618
Per cent of earnings distributed.....	50%	43%
Per share.....	1.60	1.50
Earnings retained.....	7,734,988	9,650,411
Provision for depreciation charged to operations.....	12,964,352	12,043,775
Capital expenditures.....	14,545,564	23,470,259
FINANCIAL CONDITION AT DECEMBER 31		
Current assets.....	73,484,781	68,391,944
Current liabilities.....	21,948,294	21,560,361
Working capital.....	51,536,487	46,831,583
Working capital ratio.....	3.4 to 1	3.2 to 1
Investments and other assets.....	10,295,500	9,063,242
Net property.....	127,129,619	126,816,669
Per share.....	25.91	25.85
Long-term debt.....	18,049,000	19,584,000
Per share.....	3.68	3.99
Capital stock and retained earnings.....	170,912,606	163,127,494
Per share.....	34.83	33.25
Number of shares outstanding at December 31.....		
Number of shareholders at December 31.....	4,907,559	4,906,059
Number of employees at December 31.....	15,834	16,093
Total payroll cost.....	8,626	8,501
	81,383,740	\$77,837,970



REVIEW OF

THE YEAR

...1963

The following summary compares the operations of 1963 with 1962:

	In Thousands		
	1963	1962	Change
Barrels sold (all beers) . . .	9,397	9,035	362
Net sales	\$343,582	\$327,168	\$16,414
Cost of doing business . . .	311,466	292,085	19,381
Income before taxes	32,116	35,083	(2,967)
Tax provision	16,530	18,074	(1,544)
Earnings	15,586	17,009	(1,423)
Per share	3.18	3.47	(.29)

The investment credit provision of the Revenue Act of 1962 permits the Company to reduce its federal income tax payments by \$1,276,977 in 1963 and \$263,415 in 1962. These amounts, which have been added to the tax provision, will be reflected in income over the productive lives of the qualified property additions.

Return on average invested capital for the year was 9.3% compared with 10.7% for 1962, and the ratio of earnings to net sales was 4.5% compared with 5.2% for 1962.

Cash dividends of \$1.60 per share were paid in 1963. The Company paid cash dividends in each of the past 31 years, and stock dividends in the years 1953 and 1954.

Condensed statement of beer volume and consolidated earnings by quarters is shown below:

	In Thousands			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Barrels sold (all beers)	1,912	2,778	2,597	2,110
Net sales	\$71,343	\$99,682	\$94,211	\$78,346
Depreciation provision	3,099	3,241	3,286	3,338
Income before taxes	5,211	9,642	10,759	6,504
Earnings	2,491	4,609	5,143	3,343
Per share51	.94	1.05	.68

WORKING CAPITAL

Working capital at December 31, 1963, was \$51,536,487 and working capital ratio was 3.4 to 1. Cash and marketable securities (excluding U. S. Government securities deducted from current liabilities) aggregated \$20,874,613 or 95% of current liabilities of \$21,948,294.

The following statement summarizes the flow of funds for the past three years and accounts for the changes in working capital:

	In Thousands		
	1963	1962	1961
SOURCE OF FUNDS			
Net earnings	\$15,586	\$17,009	\$15,116
Depreciation provision	12,964	12,044	11,158
Proceeds from stock options exercised	50	48	289
Other items (including Miami plant retirement in 1961)	37	(1,052)	6,397
Total	28,637	28,049	32,960
DISPOSITION OF FUNDS			
Additions to property accounts	14,546	23,470	19,434
Dividends paid	7,851	7,359	7,346
Long-term debt reduction	1,535	1,518	3,391
Total	23,932	32,347	30,171
Working capital increased or (decreased)	\$ 4,705	\$ (4,298)	\$ 2,789

INCOME DOLLAR ALLOCATIONS

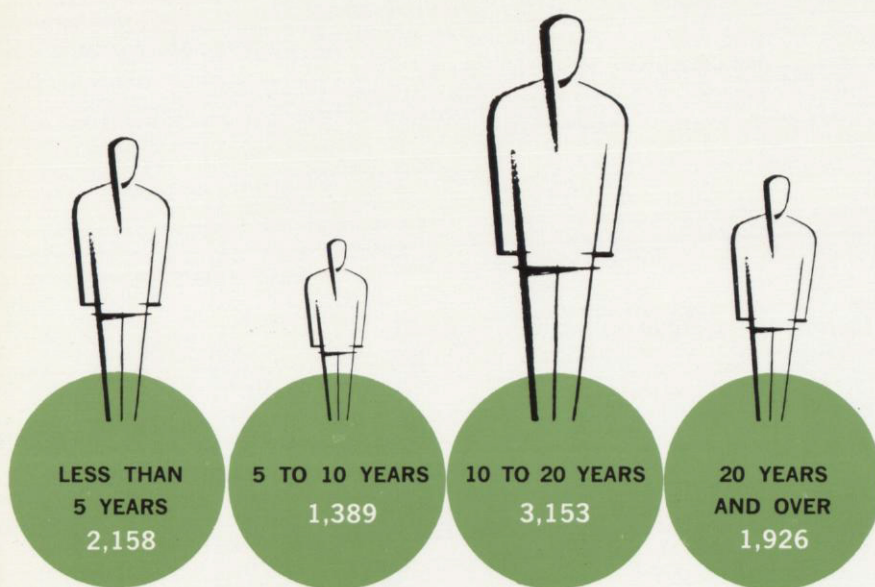
Comparison of the changes in the analysis of the Company's income dollar for 1963 and 1962 is shown below:

	In Thousands			
	1963	%	1962	%
For materials and supplies	\$169,737	36.4	\$154,404	34.7
To governments for taxes	127,138	27.3	124,062	27.8
To employees for salaries, wages and benefits	79,243	17.0	75,849	17.0
For all other costs and expenses	74,838	16.0	73,918	16.6
Total costs and expenses	450,956	96.7	428,233	96.1
Cash dividends paid to shareholders	7,851	1.7	7,359	1.7
Earnings retained in business	7,735	1.6	9,650	2.2
Income dollar	\$466,542	100.0	\$445,242	100.0

TAXES

Total taxes applicable to 1963 operations (not including the many hidden taxes included in materials and services purchased) amounted to \$127,137,821; direct taxes for the last three years were:

	In Thousands		
	1963	1962	1961
Federal and state excise taxes on beer	\$104,035	\$ 99,815	\$ 92,493
Federal and state income taxes	16,530	18,074	15,758
All other taxes	6,573	6,173	5,420
Total	\$127,138	\$124,062	\$113,671
Per share	25.91	25.29	23.18



EMPLOYEES AND LENGTH OF SERVICE 8,626

Within the group of 20 years and over, there are 286 employees who have been with the Company for more than 30 years.

PROPERTY

The following schedule presents capital expenditures and depreciated values for the past five years, including Busch Stadium:

	In Thousands	
	Additions	Depreciated Value December 31
1959.....	\$ 14,180	\$108,054
1960.....	17,076	114,293
1961.....	19,434	117,177
1962.....	23,470	128,054
1963.....	14,546	128,230
Total.....	\$ 88,706	

During 1963 construction was started on a new brewery in Houston which will have an annual capacity of 1,000,000 barrels of our beers. It is expected that this facility will be completed during the early part of 1966.

SHAREHOLDERS

At the close of the year, shareholders numbered 15,834 compared with 16,093 at the end of 1962.

	Holders of Record	Shares Held
Men	4,637	801,285
Women	4,735	977,599
Joint names	4,949	343,198
Fiduciaries	787	982,218
Institutions, foundations, brokers, nominees and others.....	726	1,803,259
Total.....	15,834	4,907,559

EMPLOYEE RELATIONS

At December 31, 1963, employment was 8,626. Salaries and wages to officers and employees amounted to \$72,780,352. Pension, life insurance and welfare benefits aggregated \$6,462,977; payroll taxes totaled \$2,140,411.

FARM PRODUCTS

The American farmer supplies the domestic hops, barley, rice, and other grains used in the production of beer; corn for various products produced from corn; and molasses used in the production of yeasts.

Farm products purchased by the Company in 1963 had an aggregate value of \$40,534,000. Processing of brewers grains and corn produced 134,400 tons of high protein animal feed having a sales value of \$6,141,000.

In the brewing of Budweiser, the Company is one of the few breweries using rice exclusively as an adjunct grain to barley malt.

RESEARCH

During 1963 a Brewing Technical Center was established which will be responsible for the Company's expanded research and development activities in brewing and malting. The following projects are among those currently being investigated:

Process engineering, including pilot plant investigation, seeking to utilize the latest technological advances to insure that our high standards of quality will not be compromised by necessary cost reductions in present operations and future expansion.

Flavor research in which trained human taste buds are used in conjunction with chemical analysis to insure the uniformity of flavor for which our beers are noted.

Pilot plant production, utilizing the Phillips Petroleum Company's process, of limited quantities of beer concentrate and the evaluation of the results of this production for consumer acceptance.

The packaging of beer has undergone many changes in the past year and our Package Engineering group is constantly seeking out new customer conveniences in the packaging of bottled, canned, and draught beer.

The Corn Products Research Section developed several new starch and dextrine products for use in the food, adhesive, and paper industries.

In the Yeast Research Section successful efforts were made to improve the quality and uniformity of our bakers' yeast and to improve process control of raw materials. Research was conducted on improved methods for processing and packaging bakers' yeast.

ST. LOUIS CARDINALS

Operations of the St. Louis Baseball Cardinals for their fiscal year ended October 31, 1963, resulted in a net profit of \$133,114.

MANAGEMENT CHANGES

Mr. James B. Orthwein and Mr. W. R. Persons were elected to the Board of Directors at the annual shareholders meeting held April 24, 1963. In August Mr. August A. Busch III was elected a director to fill the vacancy created by the death of Mr. Eberhard Anheuser.

The following officer appointments were made during 1963:

E. H. Vogel, Jr.—Vice President
August A. Busch III—Vice President
John H. Pahlmann—Controller

STOCK OPTION PLAN

On August 2, 1955, shareholders approved a restricted stock option plan for officers and key employees of the Company and its subsidiaries to the extent of 240,811 unissued shares of common stock. Option prices are not less than 95% of fair market value at dates of grant (110% in the case of a person possessing 10% or more of the combined voting power of the Company).

During 1963 no new options were granted. Options covering 1,500 shares were exercised at prices ranging from \$32.93 to \$36.575 per share and options covering 9,500 shares at \$54.27 per share terminated.

At December 31, 1963, the following options were outstanding:

Date of Grant	Number of Optioned Shares	Option Price
November 14, 1955	500	\$ 19.00
September 16, 1960	500	32.93
December 19, 1960	2,680	36.575
December 18, 1961	78,150	54.27
January 9, 1962	500	52.09
April 24, 1962	10,000	58.95
Total shares	92,330	

29,392 of the 92,330 optioned shares at December 31, 1963 were exercisable at that date.

LEGAL PROCEEDINGS

On July 14, 1961, a complaint was filed against the Company by International Breweries, Inc. in the United States District Court for the Southern District of Florida, at Tampa, alleging that the Company is unlawfully using the word "Bavarian" on one of its beers, and seeking to have the Company enjoined from using the words "Bavarian" and "Bavarian's" in connection with the sale or distribution of beer or closely related products other than in certain areas where such words were used on May 15, 1957. The complaint does not challenge the use by the Company of the trademark "Busch" in connection with the sale of Busch Bavarian beer.

On March 30, 1962, a complaint was filed against the Company and Swed Distributing Company and Swed (Louis) Distributing Company by International Breweries, Inc., in the United States District Court for the Southern District of Florida, at Tampa, alleging violations by the Company of the Sherman and Clayton Acts and requesting treble damages.

On February 1, 1962, the Company acquired from Rahr Malting Co., its malting and grain storage facilities at Manitowoc, Wisconsin. On January 31, 1962, in the United States District Court for the Eastern District of Missouri, Eastern Division, the United States of America filed suit under Section 7 of the Clayton Act to enjoin the Company from this acquisition. No preliminary injunction was sought. The relief sought by the United States is to require the Company to divest itself of the malting and grain storage facilities at Manitowoc acquired from the Rahr Malting Co. The Company has denied violation of Section 7 of the Clayton Act and of any anti-trust acts and the consequent restraint of interstate commerce.

On December 21, 1962, the United States of America filed suit in the United States District Court, Eastern District of New York, against the F.&M. Schaefer Brewing Company and the Company alleging, among other things, that the defendants were engaged in a combination and conspiracy in unreasonable restraint

of interstate commerce in violation of Section 1 of the Sherman Act. The main allegation of the complaint is that henceforth the Company would only sell its Budweiser beer to Schaefer for resale to retailers within the New York Metropolitan area. The complaint further alleges that the Company eliminated itself as a competitor in this area and deprived the retailers of a competitive source of supply of Budweiser beer. The Government requests that the defendants be enjoined from continuing such activity.

During 1963 two shareholders of the Company filed suit against Mr. August A. Busch, Jr. and the Company asserting that certain sales to Mr. Busch under the Company's Stock Option Plan were in violation of the preemptive rights of the shareholders who had voted against adoption of such Plan in 1955, and also that Mr. Busch was receiving compensation in excess of the value of his services. During January 1964 the Court ruled against the suing shareholders. The decisions remain subject to appeal.

The Company was defendant in certain other lawsuits at December 31, 1963, the ultimate outcome of which cannot be determined at this time. The Company's liability under such suits, if any, would not materially affect its financial condition or operations.

OTHER MATTERS

The directors and shareholders of the Company have, subject to certain conditions, authorized an investment of \$5,000,000 in securities of the Civic Center Redevelopment Corporation which was formed to redevelop an area adjacent to the central business district of St. Louis by the construction of various improvements, including a stadium. The Company's obligations, in respect thereto, are conditioned upon the procurement from other sources of the balance of the required capital, the negotiation of a satisfactory lease for the use of the stadium by the Baseball Cardinals, and certain other conditions in connection therewith.

INDEPENDENT ACCOUNTANTS OPINION...

PRICE WATERHOUSE & CO.

14 SOUTH FOURTH STREET

ST. LOUIS 2

February 10, 1964

To the Shareholders and
Board of Directors of
Anheuser-Busch, Incorporated

In our opinion, the accompanying statements present fairly the consolidated financial position of Anheuser-Busch, Incorporated and its subsidiaries at December 31, 1963 and the results of their operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse & Co.

CONSOLIDATED BALANCE SHEET



ASSETS

Current Assets:

	December 31 1963	December 31 1962
Cash	\$ 12,910,493	\$ 11,509,620
Marketable securities, at cost which approximates market	7,964,120	7,964,611
Accounts and notes receivable, less allowance for doubtful accounts of \$450,000 in 1963 and \$600,000 in 1962	17,876,289	14,947,068
Inventories, at lower of cost or market, cost being determined under the "last-in, first-out" method for approximately 58% of total inventories in 1963:		
Finished goods	5,372,893	5,191,229
Work in process	7,135,008	6,426,446
Raw materials and supplies	22,225,978	22,352,970
Total current assets	73,484,781	68,391,944

Investments (at cost) and Other Assets:

Investment and advances — St. Louis National Baseball Club, Inc.	2,800,000	3,150,000
Busch Stadium, less accumulated depreciation of \$1,810,457 in 1963 and \$1,672,060 in 1962	1,099,960	1,237,543
Deferred charges and other non-current assets	6,395,540	4,675,699
	10,295,500	9,063,242

Property, at cost:

Plant and branch properties —		
Land	7,608,874	6,287,391
Buildings	86,900,429	86,021,447
Machinery and equipment	140,414,796	121,012,611
Construction in progress	6,052,067	17,585,695
Other real estate	3,279,295	2,657,288
	244,255,461	233,564,432
Less accumulated depreciation	117,125,842	106,747,763
	127,129,619	126,816,669
	\$210,909,900	\$204,271,855

The above statement should be read in conjunction with pages 4, 7 and 8 of this report.

ANHEUSER-BUSCH, INCORPORATED *and subsidiaries*

LIABILITIES

Current Liabilities:

	December 31 1963	December 31 1962
Accounts payable	\$ 8,645,114	\$ 9,617,692
Accrued salaries and wages	3,580,903	3,196,556
Accrued taxes, other than income taxes	3,516,695	3,514,797
Estimated federal and state income taxes, less United States Government securities of \$4,961,576 in 1963 and \$7,409,839 in 1962	5,298,424	4,490,161
Other current liabilities	907,158	741,155
Total current liabilities	21,948,294	21,560,361

Long-Term Debt:

3 $\frac{3}{8}$ % debentures maturing 1965 to 1977, less \$1,306,000 in treasury in 1963 and \$1,261,000 in 1962	18,049,000	19,584,000
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Shareholders Equity:

Common stock, \$4 par value, authorized 6,000,000 shares (154,970 shares reserved under stock option plan); issued, 4,928,966 shares in 1963 and 4,927,466 shares in 1962	19,715,864	19,709,864
Capital surplus (principally arising from stock dividends)	9,810,262	9,766,138
Retained earnings (\$54,032,357 restricted as to payment of cash dividends under debenture indenture)	141,863,532	134,128,544
	171,389,658	163,604,546
Less cost of 21,407 shares of treasury stock	477,052	477,052
	170,912,606	163,127,494
	\$210,909,900	\$204,271,855

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

	1963	1962
Sales	\$447,303,019	\$426,670,314
Less federal and state beer taxes	103,721,278	99,502,123
	343,581,741	327,168,191
Costs and Expenses:		
Cost of products sold	248,681,930	231,224,323
Marketing expenses	57,667,128	55,593,355
Administrative and general expenses	5,954,534	6,215,342
	312,303,592	293,033,020
	31,278,149	34,135,171
Other Income and Expenses:		
Cash discounts, interest, and other income	1,773,707	1,984,004
Interest and other expenses	(935,387)	(1,036,629)
	32,116,469	35,082,546
Provision for income taxes (see investment credit comment on page 4)	16,530,067	18,073,517
	15,586,402	17,009,029
Net income for the year	134,128,544	124,478,133
Retained earnings at beginning of year	149,714,946	141,487,162
	7,851,414	7,358,618
Cash dividends, \$1.60 per share in 1963 and \$1.50 per share in 1962	\$141,863,532	\$134,128,544
Retained earnings at end of year		

Provisions for depreciation of \$12,964,352 in 1963 and \$12,043,775 in 1962 are included in costs and expenses.

CONSOLIDATED STATEMENT OF CAPITAL SURPLUS

	1963	1962
Balance at beginning of year	\$ 9,766,138	\$ 9,724,428
Excess of option price over par value of common stock sold under stock option plan	44,124	41,710
Balance at end of year	\$ 9,810,262	\$ 9,766,138

The above statements should be read in conjunction with pages 4, 7 and 8 of this report.

SALES, INCOME, DIVIDENDS, EARNINGS REINVESTED,
DEPRECIATION and PAYROLLS

	Barrels	Net Sales	Income Before Taxes	Earnings	Earnings Per Share	.. Dividends Paid .. \$Shares Outstanding Per Share		Earnings Reinvested	Depreciation Charged to Operations	Direct Payroll
1933	607,511	\$ 15,049,833	\$ 457,251	\$ 325,529	\$ 1.81	180,000	\$ 3.00†		\$ 975,821	NA
1934	1,093,223	16,843,719	1,083,704	907,767	5.04	180,000	1.00	\$ 727,767	1,152,746	NA
1935	1,135,776	17,223,306	1,049,258	891,918	4.96	180,000	1.00‡	486,918	1,207,543	\$ 5,576,000
1936	1,376,692	21,150,154	3,715,984	3,041,653	16.90	180,000	12.00	881,653	1,285,920	6,356,000
1937	1,839,960	33,311,896	5,771,871	4,164,245	23.13	180,000	8.00	2,724,245	1,249,768	8,250,000
1938	2,087,188	35,803,704	6,773,409	5,445,867	6.05	900,000	1.60	4,005,867	1,428,096	8,922,000
1939	2,305,988	39,397,379	8,667,745	7,013,250	7.79	900,000	3.50	3,863,250	1,518,393	9,532,000
1940	2,462,211	42,859,413	8,624,393	6,407,883	7.12	900,000	4.00	2,807,883	1,709,360	10,288,000
1941	3,089,954	55,945,667	12,774,685	6,780,492	7.53	900,000	5.00	2,280,492	2,011,846	12,163,000
1942	3,492,343	68,009,070	15,744,654	6,439,818	7.16	900,000	3.75	3,064,818	2,463,575	13,690,000
1943	3,569,030	74,752,235	14,614,373	6,081,789	6.76	900,000	4.75	1,806,789	2,448,032	16,177,000
1944	3,692,352	76,668,879	13,755,798	5,639,253	6.27	900,000	4.00	2,039,253	2,662,119	16,825,000
1945	3,529,468	76,153,543	12,726,620	5,613,605	6.24	900,000	4.00	2,013,605	2,922,451	17,871,000
1946	3,026,413*	75,229,683	13,814,970	8,461,311	9.40	900,000	5.00	3,961,311	2,109,559	18,191,000
1947	3,608,903	104,401,628	16,221,459	9,883,845	2.20	4,500,000	1.20	4,483,845	2,240,280	23,096,000
1948	4,042,181	122,848,790	21,999,072	13,459,808	2.99	4,500,000	1.00	8,959,808	2,716,100	25,951,000
1949	4,526,115	135,304,255	23,780,430	14,509,752	3.22	4,500,000	1.00	10,009,752	3,343,994	29,178,000
1950	4,888,732	151,565,906	24,893,941	13,247,712	2.94	4,500,000	1.20	7,847,712	3,872,468	33,690,000
1951	5,479,314	179,405,026	20,926,313	10,776,927	2.41	4,475,000	1.20	5,391,477	5,053,180	39,175,000
1952	6,034,443	208,155,695	31,375,205	12,030,063	2.69	4,475,000	1.20	6,660,063	5,391,292	42,535,000
1953	6,711,222	237,003,969	36,077,913	13,232,549	2.82	4,698,750	1.20†	7,862,549	5,607,631	49,629,000
1954	5,828,760	215,923,244	27,231,414	12,752,975	2.65	4,816,218	1.20†	7,114,475	6,427,030	49,415,000
1955	5,616,793	201,718,743	17,274,396	8,026,152	1.67	4,816,218	1.20	2,246,691	7,186,735	50,011,000
1956	5,864,034	214,692,297	19,786,812	9,751,671	2.02	4,821,968	1.20	3,970,484	7,352,741	52,528,000
1957	6,116,077	227,224,930	19,955,587	9,777,599	2.03	4,822,068	1.20	3,991,177	7,508,440	53,238,000
1958	6,982,022	257,112,848	22,489,222	10,836,305	2.25	4,822,518	1.20	5,049,659	8,496,850	57,620,000
1959	8,064,756	295,992,022	29,075,116	13,028,672	2.69	4,851,698	1.25	6,988,311	10,082,726	62,843,000
1960	8,477,099	308,755,069	33,451,482	15,415,910	3.15	4,891,539	1.40	8,595,865	10,580,827	65,309,000
1961	8,508,286	309,807,214	30,873,888	15,115,680	3.08	4,904,491	1.50	7,769,730	11,157,507	66,232,000
1962	9,034,636	327,168,191	35,082,546	17,009,029	3.47	4,906,059	1.50	9,650,411	12,043,775	70,023,000
1963	9,397,224	343,581,741	32,116,469	15,586,402	3.18	4,907,559	1.60	7,734,988	12,964,352	72,780,000

‡Shares outstanding at December 31.

†In addition to cash dividends of \$3.00 per share paid in 1933 and \$1.00 per share in 1935, there was a distribution of 18,000 shares of The Borden Company stock in 1933 and 9,000 shares of The Borden Company stock in 1935.

‡In addition to cash dividend of \$1.20 per share paid in 1953 and 1954, a 5% dividend in shares of the corporation was distributed on December 30, 1953; and a 2½% dividend in shares of the corporation was distributed on December 30, 1954.

*Presidential Order effective March 1 reduced quantity of grains used in brewing to 70% of 1945 usage. Reduction remained in effect until September 1 when usage was increased to 85%, restriction removed on December 1.

10 YEAR

SUMMARY OF FINANCIAL CONDITION

ASSETS

CURRENT ASSETS:

Cash
 Marketable securities, at cost
 which approximates market.
 Accounts and notes receivable,
 less allowance for doubtful
 accounts
 Inventories, at lower of
 cost or market
 Total current assets

INVESTMENTS (at cost)

AND OTHER ASSETS:

Investment and advances—
 St. Louis National
 Baseball Club, Inc.
 Busch Stadium, less
 accumulated depreciation ..
 Deferred charges and other
 non-current assets

PROPERTY, at cost:

Plant and branch properties—
 Land
 Buildings
 Machinery and equipment ..
 Construction in progress
 Other real estate

Less accumulated
 depreciation

TOTAL

	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954
Cash	\$ 12,910,493	\$ 11,509,620	\$ 11,874,327	\$ 10,506,716	\$ 11,791,655	\$ 9,789,373	\$ 11,917,955	\$ 13,140,748	\$ 18,478,350	\$ 19,773,495
Marketable securities, at cost which approximates market.	7,964,120	7,964,611	14,165,937	14,218,484	7,845,824	8,942,292	22,344,250	12,997,734	1,603,626	5,583,526
Accounts and notes receivable, less allowance for doubtful accounts	17,876,289	14,947,068	13,054,390	13,736,625	13,330,476	13,387,094	11,800,600	10,497,437	10,135,796	9,100,357
Inventories, at lower of cost or market	34,733,879	33,970,645	26,099,885	24,942,413	25,367,627	23,125,803	21,163,921	22,784,452	22,213,206	25,405,591
Total current assets	73,484,781	68,391,944	65,194,539	63,404,238	58,335,582	55,244,562	67,226,726	59,420,371	52,430,978	59,862,969
INVESTMENTS (at cost) AND OTHER ASSETS:										
Investment and advances— St. Louis National Baseball Club, Inc.	2,800,000	3,150,000	3,150,000	3,150,000	3,150,000	3,150,000	3,300,000	4,300,000	4,574,720	4,375,061
Busch Stadium, less accumulated depreciation ..	1,099,960	1,237,543	1,403,052	1,579,747	1,772,643	1,933,498	2,017,332	2,108,894	2,075,497	2,155,288
Deferred charges and other non-current assets	6,395,540	4,675,699	3,074,269	4,079,212	4,192,819	4,193,558	3,730,244	3,018,539	3,829,793	3,087,865
	10,295,500	9,063,242	7,627,321	8,808,959	9,115,462	9,277,056	9,047,576	9,427,433	10,480,010	9,618,214
PROPERTY, at cost:										
Plant and branch properties— Land	7,608,874	6,287,391	6,180,222	7,463,407	6,651,864	6,580,948	4,886,216	4,762,748	4,763,622	4,068,202
Buildings	86,900,429	86,021,447	80,468,791	77,964,760	74,101,182	65,758,634	63,434,713	63,248,140	62,048,482	59,976,250
Machinery and equipment ..	140,414,796	121,012,611	114,114,740	109,108,500	102,430,671	91,135,142	83,460,490	80,826,502	79,588,416	76,810,851
Construction in progress	6,052,067	17,585,695	10,512,154	7,384,545	4,449,790	11,951,945	1,860,747	698,539	672,151	2,200,538
Other real estate	3,279,295	2,657,288	2,326,442	2,241,020	1,110,786	1,069,077	874,665	873,552	865,221	928,287
	244,255,461	233,564,432	213,602,349	204,162,232	188,744,293	176,495,746	154,516,831	150,409,481	147,937,892	143,984,128
Less accumulated depreciation	117,125,842	106,747,763	97,828,383	91,448,766	82,462,905	73,849,600	66,391,656	60,213,256	54,193,195	47,904,236
	127,129,619	126,816,669	115,773,966	112,713,466	106,281,388	102,646,146	88,125,175	90,196,225	93,744,697	96,079,892
TOTAL	\$210,909,900	\$204,271,855	\$188,595,826	\$184,926,663	\$173,732,432	\$167,167,764	\$164,399,477	\$159,044,029	\$156,655,685	\$165,561,075

LIABILITIES

CURRENT LIABILITIES:

Current maturity of notes payable
 Accounts payable
 Accrued salaries and wages
 Accrued taxes, other than income taxes
 Estimated federal and state income taxes
 U. S. Government securities
 Other current liabilities
 Total current liabilities

LONG-TERM DEBT:

3 $\frac{3}{8}$ % debentures maturing 1965 to 1977, less \$1,306,000 in treasury in 1963
 4% notes payable
 Mortgage on Busch Stadium

SHAREHOLDERS EQUITY:

Common stock, \$4 par value, authorized 6,000,000 shares (154,970 shares reserved under stock option plan); issued, 4,928,966 shares in 1963
 Capital surplus (principally arising from stock dividends)
 Retained earnings (\$54,032,357, restricted as to payment of cash dividends under debenture indenture)

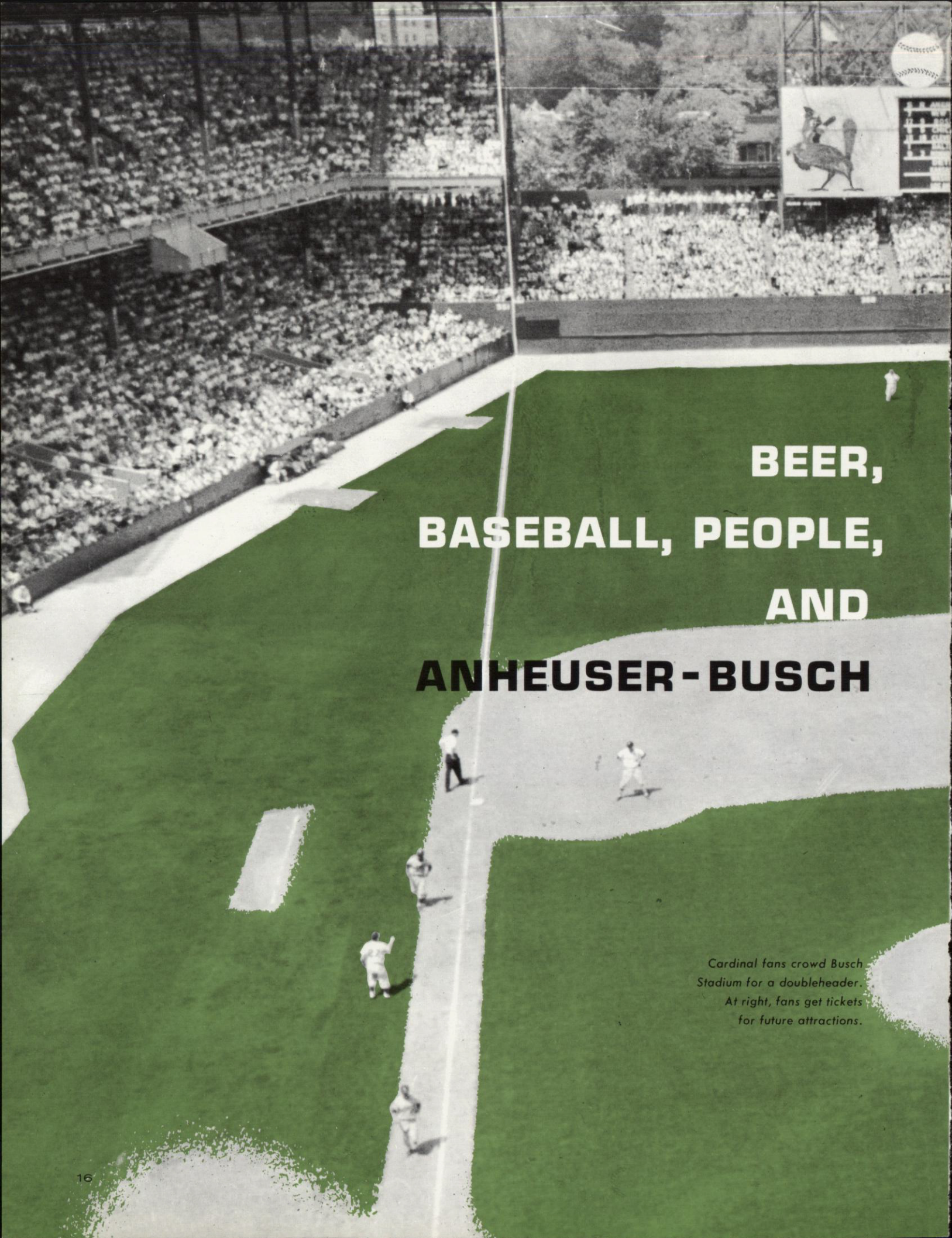
Less cost of 21,407 shares of treasury stock

Per share

TOTAL

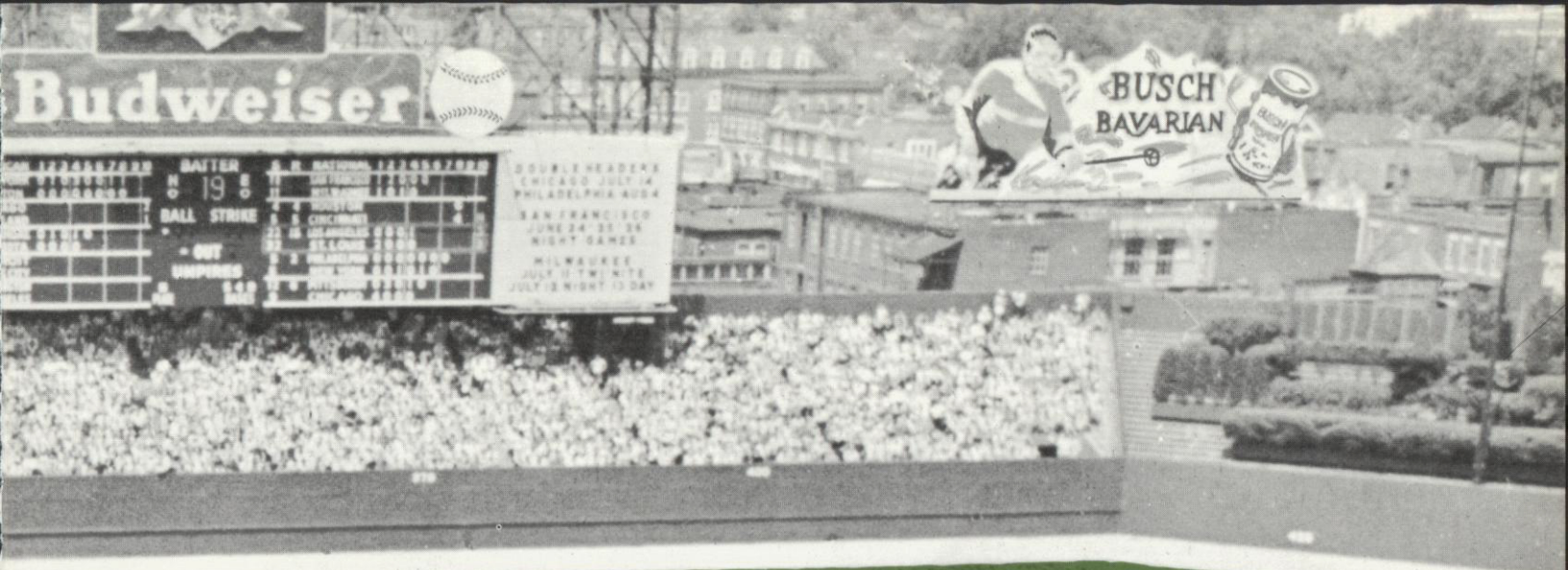
	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954
\$ 8,645,114	\$ 9,617,692	\$ 7,175,626	\$ 900,000	\$ 6,096,217	\$ 7,600,144	\$ 5,302,578	\$ 5,045,500	\$ 795,000	\$ 1,540,000	
3,580,902	3,196,556	2,434,328	6,921,821	2,166,329	1,712,569	1,933,802	1,741,484	5,312,263	5,115,563	
3,516,695	3,514,797	2,932,772	2,788,604	2,522,823	1,385,758	1,240,779	1,174,101	1,513,316	1,246,708	
10,260,000	11,900,000	10,290,000	11,880,000	10,680,000	8,290,000	7,787,000	8,549,500	1,119,433	877,346	
4,961,576	7,409,839	9,509,275	10,395,386	9,841,219	6,452,516	2,921,982	5,796,147	8,820,000	14,765,000	
907,159	741,155	741,274	604,073	542,264	547,115	559,756	507,065	8,159,329	5,000,000	
21,948,294	21,560,361	14,064,725	15,063,537	12,166,414	13,083,070	13,901,933	11,221,503	478,053	946,180	
								9,878,736	19,490,797	
18,049,000	19,584,000	20,202,000	22,693,000	23,016,000	23,060,000	27,231,000	28,549,000	31,275,000	32,765,000	
		900,000	1,800,000	2,700,000	2,700,000			325,000	375,000	
18,049,000	19,584,000	21,102,000	24,493,000	25,716,000	25,760,000	27,231,000	28,549,000	31,600,000	33,140,000	
19,715,864	19,709,864	19,703,592	19,651,784	19,492,420	19,375,700	19,373,900	19,373,500	19,372,500	19,372,500	
9,810,262	9,766,138	9,724,428	9,486,991	8,722,112	8,301,819	8,295,128	8,293,687	8,289,937	8,289,937	
141,863,532	134,128,544	124,478,133	116,708,403	108,112,538	101,124,227	96,074,568	92,083,391	88,112,907	85,866,216	
171,389,658	163,604,546	153,906,153	145,847,178	136,327,070	128,801,746	123,743,596	119,750,578	115,775,344	113,528,653	
477,052	477,052	477,052	477,052	477,052	477,052	477,052	477,052	598,395	598,375	
170,912,606	163,127,494	153,429,101	145,370,126	135,850,018	128,324,694	123,266,544	119,273,526	115,176,949	112,930,278	
34.83	33.25	31.28	29.72	28.00	26.61	25.56	24.74	23.89	23.42	
\$210,909,900	\$204,271,855	\$188,595,826	\$184,926,663	\$173,732,432	\$167,167,764	\$164,399,477	\$159,044,029	\$156,655,685	\$165,561,075	





BEER, BASEBALL, PEOPLE, AND ANHEUSER-BUSCH

Cardinal fans crowd Busch Stadium for a doubleheader. At right, fans get tickets for future attractions.



It was eleven years ago, in 1953, that Anheuser-Busch acquired the St. Louis Cardinals.

Since then the baseball club and the company have become an integral part of the American sports and recreational scene in the same way that beer and baseball have been natural partners for more than a hundred years.

Baseball has always been good for beer, as witness the fact that throughout the country almost every baseball broadcast is sponsored, in whole or in part, by a national or local brewery.

And the consensus of sports writers and commentators is that Anheuser-Busch has been good for the Cardinals and baseball.

From purely financial considerations, the acquisition of the Cardinals by Anheuser-Busch has been of little importance one way or the other. The value of the property has increased since the purchase, and the Cardinals through the years pay their own way through the support of the fans.

The real values are the intangibles. Namely, what people know and think about Anheuser-Busch and its products that they would not know or think if it were not for the company's relationship with the Cardinals.

One thing is certain. There are lots of people involved. Every year millions of people attend the games and many more millions listen on radio or watch the games on television.



How does baseball affect Anheuser-Busch?

No one really knows, nor is there any accurate way to find out.

Most observers agree that people do not take it out on the company if the ball club has had a bad series or a poor season. On the other hand, they do not buy more Budweiser, Michelob or Busch Bavarian just because the team is on a winning streak or in hot contention.

The best guess is that people—baseball fans, in particular—think well of the company's association with the Cardinals and the traditions that have made the Cardinals one of the nation's best-loved sports institutions for many years.

One reason the fans tend to regard the company and the Cardinals as separate but related organizations is the basic policy of the management. Dealings between the company and the ball club are on a formal, arm's-length basis.

Every decision is considered and made strictly on its own merits. Baseball decisions are made on the basis of whether or not they are good

for baseball—not beer. Business decisions are made for the same reasons and in the same way—are they good or bad for the company?

There is no question of the fact that baseball and beer go together naturally, whether at the ball park or at home. Anheuser-Busch has sponsored broadcasts of Cardinal games ever since acquiring the club. It does so on the same basis that other sponsors also buy advertising time on the broadcasts—as an effective means of reaching great numbers of interested people with a product message.

There is no question, either, that the famous Budweiser scoreboard at Busch Stadium, which dominates the field and is a spectacle in itself, is an extremely effective advertising medium.

But the real value of the Cardinals to Anheuser-Busch and its stockholders is the fact that the company has earned the admiration and good will of millions of people by the fundamental policy of fielding the best possible team and of helping the Cardinals be of constant inspiration to young people, a credit to the game, and of value to the American people.

ISCO
TO
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MES



ARTKRAFT STRAUSS



A cold Budweiser adds its pleasure to a fan's enjoyment of the game.



Under the stands, Busch Bavarian on tap is a favorite.

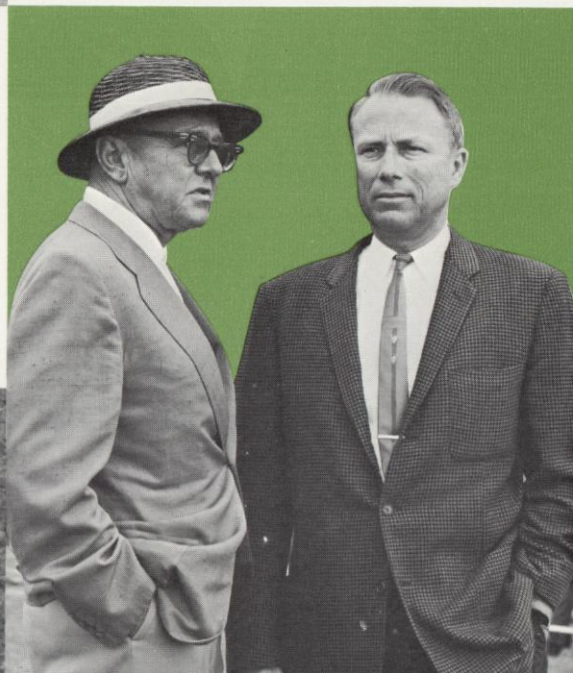


◀ *Signs advertising our products add to the beauty of the Home of the Cardinals.*

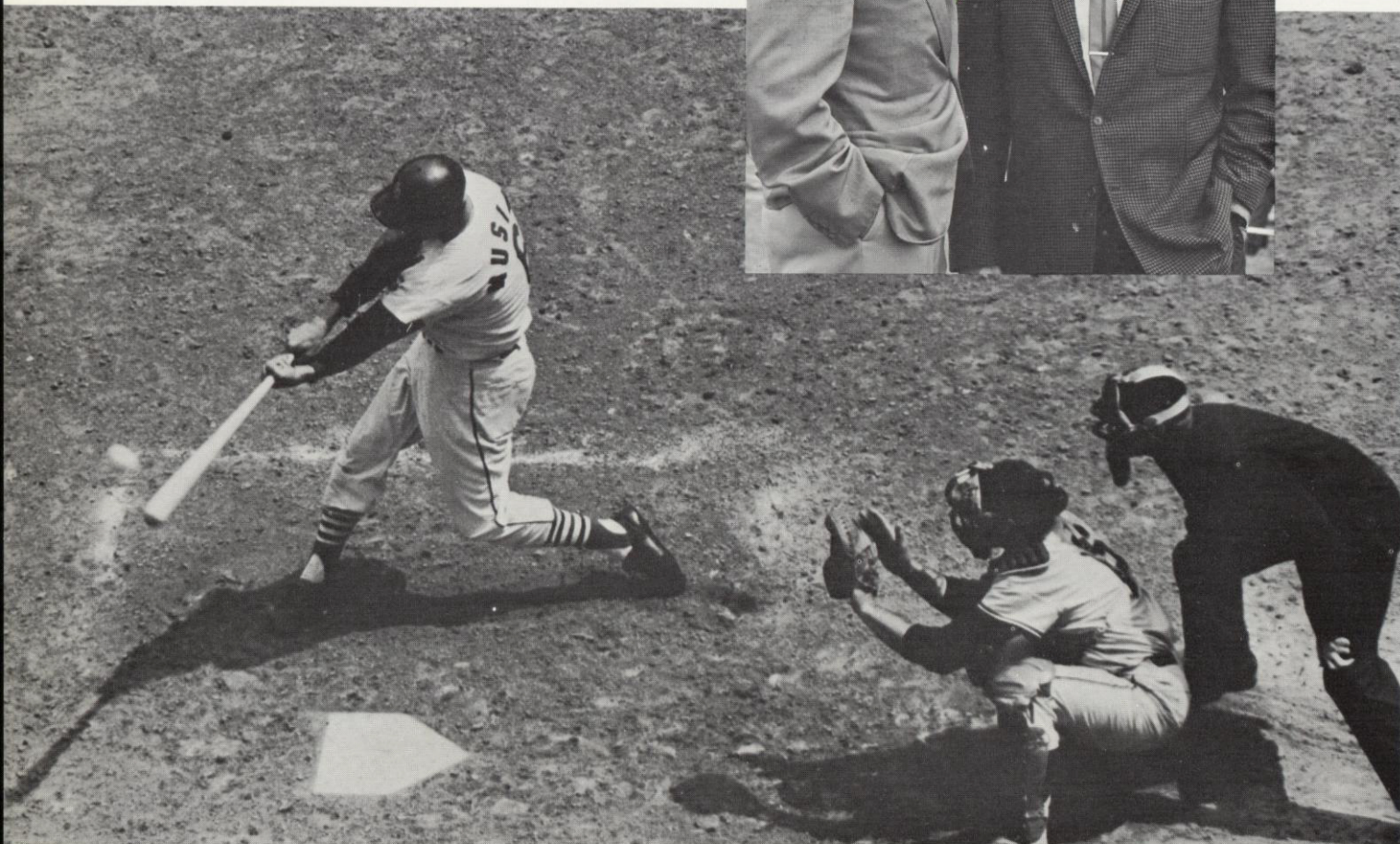


◀ Manager Johnny Keane directs Cardinals strategy.

President August A. Busch, Jr., and General Manager Bing Devine confer at Cardinals Spring Training Camp.



All-time Cardinal great Stan Musial collects a hit and strikes a familiar pose.



STARCHES, GUMS AND DEXTRINES

These products are widely used in the manufacturing and processing of paper, textiles, food and even in the drilling of oil wells.

ANHEUSER-BUSCH A-B YEAST FOOD.

A yeast nutrient and wafer and dough conditioner, it is used in making bread and rolls.

D-S (Diastatic Supplement)

A diastated barley flour, it is used in the baking industry as a dough conditioner.

DRIED YEASTS

These products are used as flavoring agents to impart cheese, chicken or meat flavors to foods, as sources of protein and as sources of the natural B vitamin complex.

BUD® BRAND EGGS

The company produces a complete line of frozen and dried solids for the baking industry and other food processors.

GUARD.

Used in the baking industry as a mold inhibitor for bread and cakes.

A-B BAKING POWDER AND BAKERS CREAM

These products are used as leaveners for all types of cakes.



COTTON MAID. LAUNDRY STARCH

This starch is produced in both the liquid and spray types and is available in retail stores in the southern part of the country.

A-B ENRICHMENT WAFERS

This product provides the essential vitamins required for "vitamin enriched" white bread.

"CHIPS"

An enzyme in wafer form, it is used as a dough conditioner in the baking industry.

BUDWEISER BAKERS YEAST

Produced at the St. Louis, Mo., and Old Bridge, N. J., plants, Anheuser-Busch is the second largest domestic supplier of bakers yeast.

TABLE SYRUPS

Corn syrup, refined at the St. Louis plant, is blended with cane sugar and other ingredients at the New Orleans plant to produce the company's line of table syrups.

"Westward Ho!"

ENTERED FOR THE CITY OF ST. LOUIS
JANUARY 1, 1964

TOURNAMENT OF ROSES ENTRY

The City of St. Louis entry was judged the best float in the parade from a city outside California with a population of more than 600,000 persons.

